



CURRENCY

Committee on Financial Services

Michael G. Oxley, Chairman

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Baker Subcommittee To Hear From Fannie, Freddie on GSE Reform

The House Financial Services Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, chaired by Rep. Richard H. Baker (LA), will hold a hearing to examine proposals for reform at the housing government sponsored enterprises (GSEs) Fannie Mae and Freddie Mac. The hearing will begin at 1:30 p.m. Wednesday, July 11 in room 2128 Rayburn House Office Building.

"Each week seems to bring new additions to the list of serious issues surrounding Fannie and Freddie - from safety and soundness regulation, market transparency, and taxpayer risk, and now federal subsidies that don't reach targeted homebuyers, mission creep, and competitive inefficiencies," Baker said. "And depending on your point of view, each concern merits consideration of real reform."

"I hope we'll touch on all these issues, and I reach out to members of both parties for an open dialogue about how we can do better for the American people," Baker said. "I'm confident we can work together, above the political fray that creates controversy where none really exists, to see whether on a purely public-policy level there can be a justifiable defense of the status quo."

The Subcommittee will hear from witnesses on a recent Congressional Budget Office (CBO) report on the federal subsidy received by the housing GSEs.

CBO Director Dan Crippen testified before the Subcommittee in May that the housing GSEs, including the Federal Home Loan Banks, received an annual federal subsidy worth \$13.6 billion last year. The report found that of that amount, "they pass through some but not all of that subsidy to mortgage borrowers, about \$7 billion in 2000."

Witnesses will also testify on H.R. 1409, the Secondary Mortgage Market Enterprises Regulatory Improvement Act, introduced by Baker, to strengthen regulation of Fannie Mae and Freddie Mac.

Scheduled to testify are:

Panel I

- Timothy Howard, Executive Vice President and Chief Financial Officer, Fannie Mae
- Mitchell Delk, Senior Vice President, Government Relations, Freddie Mac

Panel II

- Richard S. Carnell, Associate Professor of Law, Fordham University School of Law; former Assistant Secretary for Financial Institutions, U.S. Treasury Department
- Martin Edwards, Jr., Partner, Wilkinson & Snowden, Inc., representing National Association of Realtors
- James C. Miller III, Director, LECG Economics-Finance
- Leslie K. Paige, Vice President, Citizens Against Government Waste, representing Homeowners Education Coalition
- Edwin Rothschild, Principal, Podesta/Mattoon, representing FM Watch

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